

the provisions of § 1309.22(a) of this part.

(r) Such additional information as the responsible HHS official may require.

EFFECTIVE DATE NOTE: At 64 FR 5946, Feb 8, 1999, § 1309.10 was added. This section contains information collection requirements and will not become effective until approval has been given by the Office of Management and Budget.

§ 1309.11 Cost comparison.

(a) A grantee proposing to purchase a facility with grant funds must submit a detailed estimate of the cost of the proposed purchase, including the cost of any necessary minor renovations, and must compare the cost of purchasing the proposed facility to the cost of renting an alternative facility.

(b) All costs of purchase and ownership must be identified, including, but not limited to, professional fees, minor renovation costs, moving expenses, additional transportation costs, maintenance, taxes, insurance, and easements, rights of way or land rentals. An independent appraisal of the current value of the facility proposed to be purchased or previously purchased, made by a professional appraiser, must be included.

(c) The comparison described in paragraph (a) of this section must compare the cost of the proposed facility to the cost of the facility currently used by the grantee, unless the grantee has no current facility, will lose the use of its current facility, intends to continue to use its current facility after it purchases the new facility, or has shown to the satisfaction of the responsible HHS official that its existing facility is inadequate. Where the grantee's current facility is not used as the alternate facility, the grantee must use for comparison a facility (or facilities) available for lease in the grantee's service area and which are useable as a Head Start facility (meaning a facility large enough to meet the foreseeable needs of the Head Start grantee, and which complies with local licensing and code requirements and the access requirements of the Americans With Disabilities Act, if applicable, and section 504 of the Rehabilitation Act of 1973) or which can be made useable

through minor renovation, the cost of which shall be included in the cost comparison. In the case of an application for approval of the previous purchase of a facility, the cost of the present facility must be compared to the cost of the facility used by the grantee before purchase of its current facility. If the facility used by the grantee before the purchase of its present facility was deemed inadequate by the responsible HHS official, the grantee had no previous facility, or if the grantee continued to use its previous facility after the current facility was purchased the alternative facility shall be an available, appropriate facility (or facilities) of comparable size that was available for rent in the grantee's service area at the time of its purchase of the current facility.

(d) The grantee must separately delineate the following expenses in the application:

(1) One-time costs, including, but not limited to, the down payment, professional fees, moving expenses, the cost of site preparation and installation of a modular unit, and the costs of necessary minor renovations; and

(2) Ongoing costs, including, but not limited to, mortgage payments, insurance premiums, maintenance costs, and property taxes. If the grantee is exempt from the payment of property taxes, this fact must be stated.

(e) The period of comparison is twenty years, except that for the purchase of a modular unit the period of comparison is ten years. For a proposed purchase the period of comparison begins on the date on which the proposal is made. For approvals of previous purchases, the period of comparison begins on the date the purchase of the facility took place.

(f) If the facility is to be used for purposes in addition to the operation of the Head Start program, the cost of use of that part of the facility used for such other purposes must be allocated in accordance with applicable Office of Management and Budget cost principles.